



## **Minnesota SBA Honors Financial Services Champion**

NEW BRIGHTON – Kristin Wood, Executive Director and Assistant Secretary of SPEDCO, has been named Minnesota Financial Services Champion of the Year by the U.S. Small Business Administration.

The Financial Services Champion award is presented annually in each state to individuals who assist small businesses through advocacy efforts to increase the usefulness and availability of accounting or financial services.

Since 1994, Wood has served as the Executive Director of SPEDCO, a non-profit certified development company whose mission is to help small businesses obtain financing for job creation, to fund business expansion and to promote economic development in Minnesota. Among certified development companies in Minnesota, SPEDCO is well-regarded as customer-focused, ethical and meticulous in its approach. Much of this is a result of Kristin's energetic, focused leadership. She is a strong advocate of helping small businesses achieve job growth by encouraging participation in SBA 504 and other lending programs.

SPEDCO has been certified by the U.S. Small Business Administration to provide long-term, fixed rate loans for the purchase or construction of fixed assets through the 504 loan program. As a registered agent of the SBA since 1981, SPEDCO's function is to market the 504 loan program, pre-screen potential loan applicants, and to service those loans which receive funding for the term of the loan. In 2005, the SBA ranked SPEDCO #8 on its list of Minnesota institutions using SBA programs.

The SBA 504 program combines financing from a bank with a loan from the federal government. Most real estate transactions involve a bank loan for 50 percent of the total project with the bank

taking a 1<sup>st</sup> lien position; a 40 percent debenture guaranteed by the SBA in a 2<sup>nd</sup> lien position, and 10 percent owner's equity injection or money from some other non-federal sources. The government guaranteed portion is a 20-year fixed loan, fully-amortizing below-market rate of interest. While the maximum SBA loan is typically \$1.5 million (increased to \$4 million in certain instances) the total project size can be much larger. The 504 loan program is the premier federal program to assist for-profit, owner-occupied businesses to purchase commercial real estate. Projects as diverse as office condominiums to medical clinics to large manufacturing facilities qualify for the loan program.

Under Woods leadership, SPEDCO's loan portfolio has grown from \$15.7 million to \$119 million, and the annual company portfolio has increased from 41 to 278 new loans, resulting in a 73% increase in bottom-line net profits. An SBA 504 loan specialist since 1989, Wood holds a Master of Arts degree from the University of Minnesota's Humphrey Institute of Public Affairs, as well as certification as an Economic Development Finance Professional from the National Development Council. Prior to joining SPEDCO, Wood served as Executive Director/Administrator for Central Minnesota Development Company in Coon Rapids and also served as a Corporate Trust Officer for U.S. Bank in Minneapolis.

Wood is active in professional organizations including the Economic Development Association of Minnesota, National Association of Development Companies (NADCO) and Minnesota Career Real Estate Women.

Throughout her career in the certified development company industry, and specifically in her 12 years with SPEDCO, Wood has been a relentless champion of support for small businesses, job creation and economic development.

Wood will be honored at an awards luncheon highlighting our Small Business Week winners on Friday, May 11th, 2006, at the Northland Inn in Brooklyn Park.

*For more information:*

Kristin Wood  
SPEDCO  
2459 15<sup>th</sup> St. NW  
Suite A  
New Brighton, MN 55112  
651-631-4900  
[spedco@visi.com](mailto:spedco@visi.com)